

APPENDIX RECIPROCAL COMPENSATION

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APPENDIX RECIPROCAL COMPENSATION
(Mutual Compensation for Transport, Termination, and Transiting)

1. INTRODUCTION

- 1.1 This Appendix sets forth terms and conditions for Reciprocal Compensation provided by the applicable SBC Communications Inc. (SBC) owned Incumbent Local Exchange Carrier (ILEC) and CLEC.
- 1.2 SBC Communications Inc. (SBC) means the holding company which owns the following ILECs: Illinois Bell Telephone Company, Indiana Bell Telephone Company Incorporated, Michigan Bell Telephone Company, Nevada Bell Telephone Company, The Ohio Bell Telephone Company, Pacific Bell Telephone Company, The Southern New England Telephone Company, Southwestern Bell Telephone Company and/or Wisconsin Bell, Inc. d/b/a Ameritech Wisconsin.
- 1.3 AMERITECH-WISCONSIN - As used herein, AMERITECH-WISCONSIN means the applicable above listed ILEC(s) doing business in Wisconsin.

2. TRANSMISSION AND ROUTING OF TELEPHONE EXCHANGE SERVICE TRAFFIC RELEVANT TO COMPENSATION

- 2.1 The Telecommunications traffic exchanged between CLEC and AMERITECH-WISCONSIN will be classified as either Local Calls, Transit Traffic, Optional Calling Area Traffic, intraLATA Toll Traffic, and interLATA Toll Traffic. Local Calls are defined in Section 2.6.
- 2.2 Reciprocal compensation applies for transport and termination of Local Calls. When an End User originates a Local Call which terminates to an End User physically located in the same local exchange area and served on the other Party's physical switch, the originating Party shall compensate the terminating Party for the transport and termination of Local Calls at the rate(s) provided in Appendix Pricing. Calls originated by end users of CLEC over UNE-P in areas served by ILECs owned by SBC, in Connecticut, Illinois, Michigan, Ohio, Indiana, and Wisconsin, are not subject to reciprocal compensation since the rates for unbundled local switching reflect and include the costs of call termination.
- 2.3 When CLEC establishes service in a new area, the Parties' obligation to pay reciprocal compensation to each other shall commence on the date the Parties agree that the network is complete (i.e., each Party has established its originating trunks as well as any ancillary functions (e.g., 9-1-1)) and is capable of fully supporting originating and terminating End Users' (and not a Party's test) traffic. If there is no

formal agreement as to the date of network completion, it shall be considered complete no later than the date that live traffic first passes through the network.

- 2.4 The compensation arrangements set forth in this Appendix are not applicable to (i) Exchange Access traffic, (ii) Information Service traffic, subject to section 2.6 below, (iii) traffic originated by one Party on a number ported to its network that terminates to another number ported on that same Party's network or (iv) any other type of traffic found to be exempt from reciprocal compensation by the FCC or the Commission. All Exchange Access traffic and intraLATA Toll Traffic shall continue to be governed by the terms and conditions of applicable federal and state tariffs.
- 2.5 Intentionally Omitted.
- 2.6 "Local Calls", for purposes of intercarrier compensation, is traffic where all calls are within the same common local and common mandatory local calling area, i.e., within the same or different AMERITECH-WISCONSIN Exchange(s) that participate in the same common local or common mandatory local calling area as outlined in the applicable state Local Exchange Tariff. Local Calls must actually originate and actually terminate to End Users physically located within the same common local or common mandatory local calling area. The Parties disagree as to whether Internet Calls are subject to reciprocal compensation obligations under the Act. AMERITECH WISCONSIN does not believe that Internet Calls are subject to reciprocal compensation under the Act, and will not (and does not) voluntarily agree to paying reciprocal compensation for Internet Calls. CLEC believes that Internet Calls are subject to reciprocal compensation under the Act. However, in recognition of the Commission's order in Docket 05-TI-283 as well as the arbitration award in 05-MA-120 (AT&T/Ameritech Wisconsin), both parties shall comply with the Commission's order in Docket 05-TI-283, subject to a full reservation of rights and without waiving its right to challenge the results of those proceedings and those in other proceedings (including any appeals thereof) and its rights to seek a refund of any reciprocal compensation paid for Internet Calls. In addition, this Section shall be specifically subject to the Intervening Law provision of the General Terms and Conditions*, without limiting the general application of that provision. By entering into this Agreement, neither Party waives its right to advocate its views with respect to this issue, and in the referenced proceedings. The Parties agree that nothing in or related to this Agreement shall be construed as an admission that Internet Calls are, or are not, local in nature, and that any payment to CLEC under this Agreement shall not be construed as agreement or acquiescence by AMERITECH WISCONSIN

* Further, without limiting the general applicability of this Section, the Parties acknowledge that on April 27, 2001, the FCC released its Order on Remand and Report and Order in CC Dockets No. 96-98 and 99-68, In the Matter of the Local Competition Provisions in the Telecommunications Act of 1996; Intercarrier Compensation for ISP-bound Traffic (the "ISP Compensation Remand Order"). Because the ISP Compensation Remand Order was issued after this Agreement was submitted for arbitration to the Commission Arbitration Panel, the Parties agree that either Party may use ISP Compensation Remand Order as a basis to invoke the Intervening Law provision even though the Effective Date of this Agreement is after the order release date.

that Internet Calls constitute local traffic subject to reciprocal compensation obligations.

- 2.7 Calls delivered to numbers that are assigned to an exchange within a common mandatory local calling area but where the receiving party is physically located outside the common mandatory local calling area of the exchange to which the number is assigned are either Feature Group A (FGA) or Foreign Exchange (FX) and are not Local Calls for intercarrier compensation and are not subject to local reciprocal compensation. Calls delivered to a receiving party within the common mandatory local calling area that are delivered to the local calling area through FX are subject to local reciprocal compensation.
- 2.8 Private Line Services include private line-like and special access services and are not subject to local reciprocal compensation. Private Line Services are defined as dedicated Telecommunications channels provided between two points or switched among multiple points and are used for voice, data, audio or video transmission. Private Line services include, but are not limited to, WATS access lines.
- 2.9 Reciprocal Compensation applies to traffic terminated at either parties' end office switch.
- 2.10 CLEC reserves the right to submit a cost study pursuant to 47 C.F.R 51.711(b).to establish asymmetrical rates for compensation for transport and termination of local traffic.

3. RESPONSIBILITIES OF THE PARTIES

- 3.1 Each Party to this Appendix will be responsible for the accuracy and quality of its data as submitted to the respective Parties involved.
- 3.2 Where SS7 connections exist, each Party will include in the information transmitted to the other for each call being terminated on the other's network, where available, the original and true Calling Party Number (CPN) or if CPN is unavailable, then the Originating Local Routing Number (LRN) or the Jurisdiction Identification Parameter (JIP), or the Calling Party Identification (CPI), or some other method that identifies the original calling party's Local Exchange Carrier.
- 3.3 If one Party is passing CPN and/or LRN or JIP, but the other Party is not properly receiving information, the Parties will work cooperatively to correct the problem.
- 3.4 Where SS7 connections exist between SBC 13-STATE and CLEC, if the percentage of calls passed with CPN and/or LRN or JIP is greater than ninety percent (90%), all calls exchanged without CPN information and/or LRN or JIP will be billed as either Local Traffic or intraLATA Toll Traffic in direct proportion to the minutes of use (MOU) of calls exchanged with CPN information. If the percentage of calls passed

with CPN and/or LRN or JIP is less than ninety percent (90%), all calls passed without CPN and/or LRN or JIP will be billed as intraLATA switched access.

- 3.5 Transit traffic will be delivered pursuant to Section 4.3 of Appendix ITR. Where the Parties are performing a transiting function as defined in Section 6.1, the transiting Party will pass the original and true CPN if it is received from the originating third party. If traffic is delivered over other than transit trunk groups, and if the original and true CPN is not received from the originating third party, the Party performing the transiting function will pass on the same information it uses to bill the originating third party. The party performing the transiting function shall not be billed as the default originator.

4. LOCAL TRAFFIC COMPENSATION

- 4.1 The rates, terms, conditions contained herein apply only to the termination of Local Calls that originate and terminate to carriers that are authorized as LECs, CLECs, or ILECs within the State. All applicable state-specific rate elements can be found in Appendix Pricing.
- 4.2 Tandem Office Switch Served Rate
- 4.2.1 Tandem Office Switch served rate applies to Local Traffic that is delivered to the Parties for termination through the Tandem Office Switch. The rate elements are local end office, transit and tandem switching.
- 4.3 End Office Switch Served Rate
- 4.3.1 The End Office Switch served rate applies to Local Traffic that is delivered to the Parties for termination at an End Office Switch. This includes direct-routed Local Traffic that terminates to offices that have combined Tandem Office Switch and End Office Switch functions.

5. INTENTIONALLY OMITTED

6. TRANSIT TRAFFIC COMPENSATION

- 6.1 Transiting Service allows one Party to send Local, Optional, intraLATA Toll Traffic, and 800 intraLATA Toll Traffic to a third party network through the other Party's tandem. A Transiting rate element applies to all MOUs between a Party and third party networks that transits an AMERITECH-WISCONSIN network. The originating Party is responsible for payment of the appropriate rates unless otherwise specified. The Transiting rate element is only applicable when calls do not originate with (or terminate to) the transit Party's End User. The rates that AMERITECH-WISCONSIN shall charge for transiting CLEC traffic are outlined in Appendix Pricing.

- 6.2 The Parties agree to enter into their own agreement with third party Telecommunications Carriers prior to delivering traffic for transiting to the third party. In the event one Party originates traffic that transits the second Party's network to reach a third party Telecommunications Carrier with whom the originating Party does not have a traffic Interexchange agreement, then originating Party will indemnify the second Party against any and all charges levied by such third party telecommunications carrier, including any termination charges related to such traffic and any attorneys fees and expenses. The terminating party and the tandem provider will bill their respective portions of the charges directly to the originating party, and neither the terminating party nor the tandem provider will be required to function as a billing intermediary, e.g. clearinghouse.
- 6.3 Intentionally Omitted.
- 6.4 Where Primary Toll Carrier (PTC) arrangements are mandated, for intraLATA Toll Traffic which is subject to a PTC arrangement and where **AMERITECH-WISCONSIN** is the PTC, **AMERITECH-WISCONSIN** shall deliver such intraLATA Toll Traffic to the terminating carrier in accordance with the terms and conditions of such PTC arrangement. Upon receipt of verifiable Primary Toll records, **AMERITECH-WISCONSIN** shall reimburse the terminating carrier at **AMERITECH-WISCONSIN**'s applicable tariffed terminating switched access rates until the terminating carrier is able to document its costs for terminating switched access rates. When transport mileage cannot be determined, an average transit transport mileage shall be applied as set forth in Appendix Pricing.
7. INTENTIONALLY OMITTED
8. INTENTIONALLY OMITTED
9. INTRALATA 800 TRAFFIC
- 9.1 Only queried intraLATA 800 traffic that is identified as non-IXC traffic may be delivered to **AMERITECH-WISCONSIN** over the Local intraLATA Trunks. If the queried 800 traffic is determined to be IXC traffic then the traffic must be delivered over the InterLATA Meet Point Trunks. If **AMERITECH-WISCONSIN** performs the 800 query function, the Traffic may be delivered to **AMERITECH-WISCONSIN** over the InterLATA Meet Point Trunks. If the Local/intraLATA Trunks are used and Originating Carrier performs the 800 query function, the intraLATA 800 Traffic will be recorded as toll calls. If the InterLATA meet point Trunks are used, **AMERITECH-WISCONSIN** will not record the intraLATA 800 Traffic.
- 9.2 The Parties shall provide to each other intraLATA 800 Access Detail Usage Data for Customer billing and intraLATA 800 Copy Detail Usage Data for access billing in Exchange Message Interface (EMI) format. The Parties agree to provide this data to

each other at no charge. In the event of errors, omissions, or inaccuracies in data received from either Party, the liability of the Party providing such data shall be limited to the provision of corrected data only. If the originating Party does not send an End User billable record to the terminating Party, the originating Party will not bill the terminating Party any interconnection charges for this traffic.

- 9.3 IntraLATA 800 Traffic calls are billed to and paid for by the called or terminating Party, regardless of which Party performs the 800 query. Billing shall be based on originating and terminating NPA/NXX.

10. MEET-POINT-BILLING (MPB) SPECIAL and SWITCHED ACCESS TRAFFIC COMPENSATION

- 10.1 Intentionally Omitted.
- 10.2 Inter-carrier compensation for Special Access Traffic shall be on a MPB basis as described below.
- 10.3 The Parties will establish MPB arrangements in order to provide Switched Access Services to IXC via the respective carrier's Tandem Office Switch switches in accordance with the MPB guidelines adopted by and either contained in, or upon approval to be added in future to the Ordering and Billing Forum's MECOD and MECAB documents.
- 10.4 Billing to Interexchange Carriers (IXCs) for the Switched Exchange Access Services jointly provided by the Parties via MPB arrangements shall be according to the multiple bill/single tariff method. As described in the MECAB document, each Party will render a bill in accordance with its own tariff for that portion of the service it provides. Each Party will bill its own network access service rates to the IXC. The residual interconnection charge (RIC), if any, will be billed by the Party providing the end office function. For the purpose of this Appendix, CLEC is the Initial Billing Company (IBC) and AMERITECH-WISCONSIN is the Subsequent Billing Company.
- 10.5 The Parties will maintain provisions in their respective federal and state access tariffs, or provisions within the National Exchange Carrier Association (NECA) Tariff No. 4, or any successor tariff, sufficient to reflect this MPB arrangement, including MPB percentages.
- 10.6 As detailed in the MECAB document, the Parties will, in accordance with appropriate billing cycle intervals defined herein, exchange all information necessary to accurately, reliably and promptly bill third parties for Switched Access Services traffic jointly handled by the Parties via the Meet Point arrangement. Including IntraLATA toll carried by AMERITECH-WISCONSIN, Information shall be exchanged in a mutually acceptable electronic file transfer protocol. Where the EMI

records cannot be transferred due to a transmission failure, records can be provided via a mutually acceptable medium. The initial billing company (IBC) will provide the information to the subsequent billing company within ten (10) working days of sending the IBC's bills. The exchange of records to accommodate MPB will be on a reciprocal, no charge basis.

- 10.7 MPB shall also apply to all jointly provided MOU traffic bearing the 900, or toll free NPAs (e.g., 800, 877, 866, 888 NPAs, or any other non-geographic NPAs) which may likewise be designated for such traffic in the future where the responsible party is an IXC. When ILEC performs 800 database queries, ILEC will charge the end office provider for the database query in accordance with standard industry practices.
- 10.8 Each Party shall coordinate and exchange the billing account reference (BAR) and billing account cross reference (BACR) numbers for the Meet Point Billing service. Each Party shall notify the other if the level of billing or other BAR/BACR elements change, resulting in a new BAR/BACR number.
- 10.9 For purposes of this Appendix the Party to whom the End Office Switch belongs is the IBC and the Party to whom the Tandem Office Switch belongs is the secondary billing company. The secondary billing company will provide the IBC with the Exchange Access, (including intraLATA and interLATA traffic carried by IXC or **AMERITECH-WISCONSIN**) detailed usage data within thirty (30) days of the recording date. The IBC will provide to the secondary billing company the Exchange Access summary usage data within ten (10) working days of the IBC's bill date to the IXC. **AMERITECH-WISCONSIN** acknowledges that currently there is no charge for Summary Usage Data Records but that such a charge may be appropriate. At CLEC's request, **AMERITECH-WISCONSIN** will negotiate a mutual and reciprocal charge for provision of Summary Usage Data Records.
- 10.10 **AMERITECH-WISCONSIN** and CLEC agree to provide the other Party with notification of any discovered errors within ten (10) business days of the discovery.
- 10.11 In the event of a loss of data, both Parties shall cooperate to reconstruct the lost data within sixty (60) days of notification and if such reconstruction is not possible, shall accept a reasonable estimate of the lost data, based upon the previous twelve (12) consecutive months of prior usage data. If twelve (12) consecutive months of prior usage data is unavailable, the estimate will be based on the number of months for which data is available.

11. INTRALATA INTEREXCHANGE TRAFFIC COMPENSATION

- 11.1 For intrastate intraLATA. toll service traffic, compensation for termination of intercompany traffic will be at terminating access rates for Message Telephone Service (MTS) and originating access rates for 800 Service, including the Carrier Common Line (CCL) charge where applicable, as set forth in each Party's Intrastate Access Service Tariff. This compensation is limited to the level of compensation

contained in an the ILEC's tariff in whose exchange area the End User is located until the party can document that its access tariffs are based on the costs it incurs for providing the respective access services in the exchange area where the End User is located

- 11.2 For interstate intraLATA toll service traffic, compensation for termination of intercompany traffic will be at terminating access rates for Message Telephone Service (MTS) and originating access rates for 800 Service, including the Carrier Common Line (CCL) charge where applicable, as set forth in each Party's Interstate Access Service Tariff. This compensation is limited to the level of compensation contained in an the ILEC's tariff in whose exchange area the End User is located until the party can document that its access tariffs are based on the costs it incurs for providing the respective access services in the exchange area where the End User is located.

12. INTENTIONALLY OMITTED

13. BILLING FOR MUTUAL COMPENSATION

- 13.1 Each Party will calculate terminating interconnection minutes of use based on standard Automatic Message Accounting (AMA) recordings made within each Party's network. These recordings are the basis for each Party to generate bills to the other Party. For purposes of reciprocal compensation only, measurement of minutes of use over Local Interconnection Trunk Groups shall be in actual conversation seconds. The total conversation seconds over each individual Local Interconnection Trunk Group will be totaled for the entire monthly bill and then rounded to the next whole minute. CLEC will continue to round by rate center.

14. APPLICABILITY OF OTHER RATES TERMS AND CONDITIONS

- 14.1 Every interconnection, service and network element provided hereunder, shall be subject to all rates, terms and conditions contained in this Agreement which are legitimately related to such interconnection, service or network element.